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**From:**

**Sent:** Friday, July 13, 2012 12:18 PM

**To:**

**Cc:**

**Subject:** RE: Guidance Question

A Notice is pending (but not necessarily "imminent"). In the meantime, please follow the IRM which, buried in 4.42.4.6.3, states:

However, in the comparison to the statutory reserve, any deficiency reserve included in the contract's statutory reserve is allowed to be included for purposes of the maximum FPR limitation.

In other words, according to the IRM the stat cap includes deficiency reserves. Please tell the Agent not to make any adjustments for deficiency reserves. Also, you may want to contact of the Insurance IPG.